

VZCZCXRO8408  
OO RUEHTRO  
DE RUEHTC #1998/01 3201438  
ZNR UUUUU ZZH  
O 161438Z NOV 07  
FM AMEMBASSY THE HAGUE  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 0700  
INFO RUEHTRO/AMEMBASSY TRIPOLI IMMEDIATE  
RUEAIIA/CIA WASHDC PRIORITY  
RUCPDOG/DEPT OF COMMERCE WASHDC PRIORITY  
RHEBAAA/DEPT OF ENERGY WASHDC PRIORITY  
RUEKJCS/SECDEF WASHDC PRIORITY  
RHEHNSC/NSC WASHDC PRIORITY  
RUEKJCS/JOINT STAFF WASHDC PRIORITY

UNCLAS SECTION 01 OF 09 THE HAGUE 001998

SIPDIS

SENSITIVE  
SIPDIS

STATE FOR ISN/CB, VCI/CCA, L/ACV, IO/S,  
SECDEF FOR OSD/ISP  
JOINT STAFF FOR DD PMA-A FOR WTC  
COMMERCE FOR BIS (GOLDMAN)  
NSC FOR LEDDY  
WINPAC FOR WALTER

E.O. 12958: N/A

TAGS: [LY](#) [PARM](#) [PREL](#) [CWC](#)

SUBJECT: CHEMICAL WEAPONS CONVENTION (CWC): WRAP UP FOR THE  
TWELFTH CONFERENCE OF STATES PARTIES, NOVEMBER 5-9, 2007

REF: A. A) STATE 152370

[1](#)B. B) THE HAGUE 1952

This is CWC-88-07.

-----  
SUMMARY  
-----

[1](#)1. (SBU) The Twelfth Conference of States Parties (CSP -12) approved a series of decisions to intensify action on Article VII implementation, to continue consultations on specific measures to implement Article XI, and to continue work on the action plan on universality. The Iranian price for allowing these decisions to move forward was report language on the importance of developing measures for emergency assistance to victims of chemical weapons under Article X.

[1](#)2. (SBU) This Conference was notable for two unprecedented procedural maneuvers, which may haunt the CWC political bodies in the future. First was the challenge by Morocco in the CSP of the African regional group,s slate of candidate countries for the Executive Council, which led to a procedural vote in plenary session. That Morocco refused to accept the regional group,s decision, after an earlier attempt by some in the African group to revisit their decision on the CSP chair, will likely mean continued divisions among the African ranks and perhaps future disgruntled challenges to positions selected by regional groups. Second, the inability of the Executive Council (EC) to complete its work on Articles VII, XI and Universality before, or during an extra meeting concurrent with the CSP, led to the referral of all three matters directly to the Conference. This transfer, along with the sudden Iranian push for action on Article X, may weaken the authority of the Executive Council and further encourage Iran or others to bring new issues directly to the full Conference without prior vetting through consultations or the EC.

[1](#)3. (U) This report will cover the special meeting of the Executive Council, the Conference of States Parties in the order of its agenda items, and then side meetings with the Quad and Libya. End Summary.

-----  
SPECIAL MEETING OF THE EXECUTIVE COUNCIL  
-----

14. (U) The EC met on Thursday, November 8, and again on Friday, November 9, to consider action on Articles VII, IX and Universality to the Conference. At the opening of the Council, the Algerian representative, as the vice chair for the industry cluster, requested the addition of Article VI to the agenda (see EC-M-27/DEC/CRP.4, dated 8 November 2007). Iran, in turn, requested consideration of Article X. The facilitator for the Article VI consultations on late declarations<sup>8</sup> (Larry Denyer, Del) made a brief report to the EC on the consensus achieved during the most recent consultation (October 19). However, during discussion, India informed the EC that they did not have final instructions regarding this decision and, because of a national holiday, would not be able to receive such during the EC. For this reason, this matter was deferred to EC-51.

15. (U) Despite lengthy adjournments for consultations, consensus was not reached on Articles VII, X, XI, and Universality, and the Chairman announced that time had run out for EC action. The Council referred all four matters to the Conference of States Parties without recommendation on Friday afternoon.

-----  
CONFERENCE OF STATES PARTIES  
-----

AGENDA ITEMS 1- 6  
-----

THE HAGUE 00001998 002 OF 009

16. (U) Ambassador Dastis (Spain) opened CSP-12 on November 5 with an overview of the year in his role as the past chairman. He introduced Ambassador Idris of Sudan, who was elected as the new chairman, and the regional group vice-chairmen of the Conference -- United States, France, China, Iran, Russia, Croatia, Ecuador, Costa Rica, Cameroon and Nigeria. The German Ambassador was elected chairman of the Committee of the Whole. The Credentials Committee was appointed.

-----  
AGENDA ITEM 7 - STATEMENT BY THE DIRECTOR-GENERAL  
-----

17. (U) Director-General Rogelio Pfirter's statement captured a number of prevailing themes that are important to the U.S., including the CWC Tenth Year Anniversary, progress made on the destruction of CW stockpiles and chemical weapons production facilities, status of conversion activities, Albania's completion of destruction of its CW stockpile, industry issues, TS readiness to conduct a challenge inspection and investigation of alleged use, progress in implementing the Article VII plan of action, adoption of the 2008 budget, universality, and the Second Review Conference.

-----  
AGNEDA ITEM 8 - GENERAL DEBATE  
-----

18. (U) A representative of the Secretary General of the United Nations, Ambassador Duarte, congratulated the OPCW on its ten year anniversary. The General Debate spanned from Monday afternoon to late Tuesday afternoon. First to speak were representatives of groups ) the Portuguese ambassador on behalf of the European Union and its supporting countries, Cuba representing the Non-aligned movement (NAM) and China, and South Africa on behalf of the African states. The EU expressed concern for increasing the number of inspections for Other Chemical Production Facilities (OCPFs), and thanked

the Netherlands for having carried out a Challenge Inspection exercise at a commercial chemical facility in Delft. Cuba expressed concern about the pace at which possessor States Parties are completing their obligations to destroy declared CW stockpiles. Albania was praised as the first possessor state to have completed destruction of its declared CW stocks. The Cuban/NAM statement raised concerns regarding the implementation of Article XI and technology transfer related issues, and about the selection criteria used for choosing sites for OCPF inspections. South Africa, speaking on behalf of the Africa Group, also echoed the NAM position that possessor states must complete their destruction of CW stocks as soon as possible. The African statement also urged the establishment of an OPCW office in Africa.

19. (U) Many of the States Parties (SPs) provided national speeches following the overarching addresses made by group representatives. Frequent themes included congratulations to Albania for having completed destruction of its CW stockpile, calls for possessor states to meet their obligations to destroy all of their stockpiles within the deadlines set by the Convention, dissatisfaction with the current OCPF selection methodology, and the need for continued efforts and assistance on national implementation (Art VII). Among the developing countries, themes included the need to focus on full implementation of Article XI, particularly at the RevCon. Algeria emphasized the need to address the issue of terrorism, while Pakistan called for a multilateral export control agreement. Albania was among the last speakers to take the floor, proudly stating that it was the first possessor SP to eliminate its CW stocks. Albania gave credit and thanked the US for its financial and technical support, as well as the Swiss.

-----  
AGENDA ITEM 9 -- STATUS OF IMPLEMENTATION  
-----

THE HAGUE 00001998 003 OF 009

110. (U) On November 6, A/S Paula DeSutter was featured as a speaker under this agenda item. Her address was well received, except for Iran's exercise of its right to reply in which it objected to DeSutter's reference to its nuclear program as inappropriate in a Chemical Weapons Convention Conference. The U.S. requested that her speech be published as a document of the Conference.

111. (U) On November 7, a representative from Hong Kong gave a brief summary of CWC implementation in the Hong Kong Special Administrative Region (SAR). A CWC Ordinance was created in 2003, with enforcement beginning in 2004; Hong Kong's initial declaration was submitted through the Chinese government in 2004. The rep elaborated on the authority given to customs officials, and the permit and notification system used to ensure CWC-relevant facilities are declared as appropriate. Finally, she noted that a Compliance Department has been established for the Hong Kong SAR and that the CWC is being fully implemented.

112. (U) On November 7, the Conference noted a report by the director-General on the implementation of the regime governing the handling of confidential information by the Secretariat (EC-48/DG.5 C-12/DG.5, dated 14 February 2007).

SIPDIS

113. (U) The CSP also noted a report by the Director-General on progress made by States Parties toward fulfilling their obligation to complete the destruction of their category 1 chemical weapons stockpiles by the extended final deadlines.

114. (u) Despite a series of consultations on Article VII implementation over several weeks, the consultations under facilitator Kimmo Laukkanen (Finland) during the week of the CSP failed to make significant progress. Iran, later joined

by a unified statement from the NAM, questioned whether a decision was even needed, clearly indicating that agreement was not going to be possible until progress was made on other items they saw as higher priorities. When a decision had not been achieved by the EC session on Friday morning, the EC Chair proposed sending this directly to the CSP for consideration. A decision text was negotiated on November 9 that kept to the heart of the guidance and gave the EU and individual countries what they needed to justify future voluntary contributions toward national implementation support efforts. The Conference approved the compromise decision text Friday evening and took note of a report on the status of implementation of Article VII (C-12/DG.6, dated 9 October 2007).

-----  
AGENDA ITEM 10  
-----

¶15. (U) The Conference approved the report of the OPCW on the implementation of the Convention in 2006 (EC-49/4 C-12/CRP.1, dated 27 June 2007).

-----  
AGENDA ITEM 11  
-----

¶16. (U) The Conference noted the report of the Executive Council on the performance of its activities in the period from 8 July 2006 to 29 June 2007 (EC-50/3 C-12/3, dated 26 September 2007). EC Chairman Romeo Arguelles (Philippines) presented an oral report of the Council,s activities since the report.

-----  
AGENDA ITEM 12 -- ELECTION OF EXECUTIVE COUNCIL MEMBERS  
-----

¶17. (U) On November 7, members of four of the five regional groups were elected to the Executive Council to begin in May 2008, as follows:

Asia ) Iran, Kuwait, Pakistan, Sri Lanka

THE HAGUE 00001998 004 OF 009

Eastern Europe ) Former Yugoslavian Republic of Macedonia,  
Russian Federation, Slovakia  
GRULAC ) Chile, Costa Rica, Cuba, Peru  
WEOG ) Australia, Austria, Netherlands, Spain, Sweden.

¶18. (U) On November 8 after a group meeting lasting until midnight, the Africa Group officially put forward as their candidates for the EC: Algeria, Libya, Nigeria and South Africa. This slate was gaveled through by the CSP Chair (Sudan). However, Morocco then took the floor to deliver an impassioned plea, claiming that the vote taken in the Africa Group was invalid, that Morocco deserved the EC seat, and that a vote should be taken in the Conference to reverse or nullify the decision taken when the gavel fell, and to elect Morocco to the EC. The OPCW Legal Advisor presented his opinion that there was no recourse in the CSP procedures to reverse the decision of the regional group. The meeting adjourned until the afternoon, when the matter was re-opened.

The Moroccan representative spoke again, arguing that the regional group,s procedures were illegal since there was no consensus. The Chair (Sudan) held a procedural vote, in which the decision was whether or not to uphold the Conference,s decision in the morning to accept the African group,s slate of countries. Many delegations were confused as to what the vote entailed, and there was much discussion on the margins about the precedent this could set. The vast majority of delegations present abstained. Of the SPs voting, twenty voted in favor of upholding the Conference,s earlier decision to accept the African group,s candidates, and two voted against.

AGENDA ITEM 13 - 2008 PROGRAM AND BUDGET

-----

¶19. (U) The Conference adopted the OPCW Draft Program and Budget for 2008 (C-12/DEC/CRP.4, dated 26 October 2007). The Conference also noted the Medium Term Plan for 2008 to 2010 (C-12/S/1, dated 25 June 2007).

-----

AGENDA ITEMS 14 - 16  
ADMINISTRATIVE AND FINANCIAL MATTERS

-----

¶20. (U) The Conference adopted the decision on the Scale of Assessments for 2008 (C-12/DEC/CRP.2, dated 11 October 2007).

¶21. (U) The Conference approved the decision on the adjustment to Argentina,s scale of assessment for 2003 (C-12/DEC/CRP.8, dated 2 November 2007).

¶22. (U) The Conference noted the External Auditor,s report on the OPCW financial statements and Provident Fund for 2006 (C-12/DG.2, dated 1 June 2007).

¶23. (U) The Conference noted the Director General,s note on the new External Auditor (C-12/DG.9, dated 26 October 2007).

¶24. (U) Conference noted the DG,s report on OPCW income and expenditure for the financial year to 30 June 2007.

¶25. (U) The Conference noted the Note by the DG on the use of the Working Capital Fund for the financial year to 30 September 2007 (C-12/DG.7, dated 11 October 2007).

¶26. (U) The Conference approved the multi-year payment plans proposed by Moldova and Guatemala.

¶27. (U) The Conference noted the report of the Secretariat on the status of implementation of agreed multi-year payment plans.

¶28. (U) The Conference noted the annual report of the Office of Internal Oversight for 2006 and the accompanying note by the DG.

THE HAGUE 00001998 005 OF 009

¶29. (U) The Conference approved the alignment of OPCW Staff Regulation 3.2(a) with the corresponding UN Staff Regulation (C-12/DEC/CRP.3, dated 17 October 2007).

¶30. (U) The Conference noted the DG,s note on the transfer of funds between programs in 2006 (C-12/DG.1, 16 February 2007).

-----

AGENDA ITEM 17 - FOSTERING OF INTERNATIONAL COOPERATION  
(ARTICLE XI)

-----

¶31. (U) Much as was the case for Article VII, a series of consultations on this matter over several weeks did not produce significant results. However, the consultations early during the week of the CSP produced marked progress but failed to reach consensus. In fact, facilitator Li Hong (China) did not call for further consultations later in the week, knowing that an agreement on Article VII was the weak link in the chain of decisions Iran and the NAM had set up. When a decision had not been achieved by the EC session on Friday morning, the EC agreed to refer this matter directly to the CSP for consideration. In the end, a decision text was negotiated that kept to the heart of U.S. guidance, calling for continued &intensive8 consultations to develop &concrete measures8 to ensure the full implementation of Article XI.

-----  
AGENDA ITEM 18 - ENSURING UNIVERSALITY  
-----

¶32. (U) The Conference noted the annual report by the DG on implementation of the action plan for the universality of the Convention from 30 September 2006 to 31 August 2007 (C-12/DG.4, dated 14 September 2007). Despite the fact that a decision on universality should have been relatively non-controversial, the draft decision was held hostage by the NAM until agreement was reached on all other outstanding issues. Negotiations were characterized by a camouflaged Iranian effort to single out Israel as a State not Party & of particular concern<sup>8</sup> and an equally firm German position against reference to Israel. The Conference finally approved late Friday a decision to continue and intensify efforts toward full universality that avoided that contentious issue, after the Article VII and XI compromises had been approved.

-----  
AGENDA ITEM 19 - ESTABLISHMENT OF AN OPCW OFFICE IN AFRICA  
-----

¶33. (U) South Africa requested and the Conference approved the insertion of report language echoing EC-50,s report that a new facilitator should be appointed and the Open Ended Working group re-activated to continue consultations on an office in Africa.

-----  
AGENDA ITEM 20 ) REPORTS OF SUBSIDIARY BODIES  
-----

¶34. (U) German Ambassador Burkart, Chairman of the Committee of the Whole, reported that the Committee had not met.

¶35. (U) CSP Chairman Amb. Idris (Sudan) reported on the General Committee.

¶36. (U) The Conference noted the report of the Ninth Meeting of the Commission for the Settlement of Disputes Related to (CC-9/2, dated 1 June 2007).

¶37. (U) Credentials Committee Chair Ambassador Rodriguez Mancia (Guatemala) presented the committee,s report on November 9 and listed the States Parties for whom credentials

THE HAGUE 00001998 006 OF 009

had been received after the close of the Committee,s meeting. The Conference noted the Committee,s report (C-12/4, dated 8 November 2007).

-----  
AGENDA ITEM 21 - ANY OTHER BUSINESS  
-----

¶38. (U) The Conference noted a report by the Committee on Relations with the Host Country (C-12/HCC.1 dated 11 October 2007).

¶39. (U) Amb. Lyn Parker (UK) reported to the Conference in his role as Chair of the Open Ended Working Group for the Review Conference. He noted that the RevCon is an important landmark, listed the various topics the Working Group has already considered in its first round of discussions, and noted that fifteen national papers and more than thirty papers from external bodies have already been submitted and are available on the OPCW external server. He also highlighted the upcoming NGO forum. Finally, he neatly sidestepped the issue of the RevCon Chair by explaining that consultations are ongoing on & the appointment of officers when the appropriate time comes.<sup>8</sup>

¶40. (U) Amb. Maarten Lak (Netherlands) offered thoughts on



capitalizing on the synergy created and strengthened in the Tenth Anniversary year between the Technical Secretariat, States Parties, chemical industry, academia, and other stakeholders. He encouraged further exploitation of avenues that have been opened through various symposiums and other events held over the past year. Lak also noted concern that attendance at the CSP each year is limited by financial constraints that prevent many smaller SPs from attending, and that as the host country the Netherlands is considering funding the travel expenses for two delegates from each of a number of developing countries next year.

¶41. (U) Poland requested that a reference be added in report language to the UN high level meeting on the Tenth Anniversary of the OPCW held in New York on 27 September 2007.

¶42. (SBU) Article X. Iran submitted a vague, last-minute proposal the week before the CSP to establish a network for the victims of chemical weapons attacks, thus by-passing the ongoing facilitated consultations and the Executive Council. When the EC did meet on November 8, Iran added Article X to the agenda. With the limited time available, and three other issues under active consultation, the EC was unable to reach consensus on appropriate report language on Article X and referred the matter to the CSP. After intensive meetings in small groups on all the outstanding issues, it became clear that Article X was the key for Iran to allow consensus on all the other issues. The Conference late on Friday approved report language emphasizing the importance of TS readiness to respond in a timely manner to any request for assistance, and encouraging future consultations on developing specific measures for emergency assistance to member states and their victims of chemical weapons. A number of States Parties expressed concern in private that the language adopted did not offer adequate assurance that any efforts would be forward-looking, i.e. not focused on a retroactive assistance program for Iran, and agreed that those clear positions will need to be adhered to in future Article X consultations.

-----  
AGENDA ITEM 22 - DATES OF FUTURE CSP SESSIONS  
-----

¶43. (U) The Conference agreed respectively to the following dates of the Thirteenth through Seventeenth Sessions of the Conference: 2-5 Dec 2008, 30 Nov ) 4 Dec 2009, 29 Nov ) 3 Dec 2010, 28 Nov ) 2 Dec 2011 and 26 ) 30 Nov 2012. (Del comment: This should help alleviate the time pressure on budget negotiations, and allow all of the EC sessions to occur before the CSP, eliminating this year's lame duck

THE HAGUE 00001998 007 OF 009

session of the EC.)

-----  
AGENDA ITEM 23 ) ADOPTION OF THE REPORT  
-----

¶44. (U) After much back room deliberation and the final conclusion of negotiations on Articles VII, XI and X and Universality, the Conference approved the three decisions and the report language on Article X. Although inter-dependence was acknowledged by the Chair, all the decisions and the report language were gaveled through separately in respect of the non-linkage principle. The CSP then immediately adopted the report of its twelfth session.

-----  
AGENDA ITEM 24 ) CLOSURE OF THE CSP  
-----

¶45. (U) The Chairperson closed the Twelfth Session of the CSP at 2145 hours on 9 November 2007.

-----  
SIDE MEETINGS - QUAD LUNCH

-----  
¶46. (SBU) On November 8, German Ambassador Walter Burkart hosted a lunch for the Close Allies, originally intended to continue discussions from the October meeting in Berlin (riot control agents, incapacitants for law enforcement, the handling of these topics at the RevCon, and industry issues).

However, much of the time was devoted to discussing the state of play of various issues in the CSP, to include the rather unexpected Moroccan call that morning for a vote on the Africa Group's nomination of EC candidates. Delegations agreed that abstaining from the vote was probably the only political solution that would avoid interfering with regional group affairs. Some time was also spent on Article X and the Iranian proposal to establish a network for the victims of chemical warfare, with several delegates voicing concern at the perceived underlying political intent to assign retroactive responsibility for compensation to Iranian victims.

¶47. (SBU) On the unfinished business from the October 25-26 meeting in Berlin, UK Amb. Parker raised the issue of how the group might deal with the increasing interest in discussing &non-lethals,8 riot control agents and incapacitating agents used for law enforcement at the RevCon. Parker expressed the UK view that some discussion will be unavoidable, particularly given the combined interest of external bodies (as reflected in papers already submitted to the Working Group), the Scientific Advisory Board, and certain States Parties. (Del note: Assumption based on previous positions and recent discussions is that these SPs include Switzerland, Canada and Australia. End note.) There was general agreement that one of the most important tasks will be to limit discussions to terminology used in the CWC, i.e. to avoid broad generalizations about non-lethals and drugs as weapons. As in previous discussions, Del reps noted that the U.S. is continuing to study these issues, but is not likely to look favorably upon any efforts to articulate or further clarify CWC provisions on these topics.

¶48. (SBU) In a private discussion with del reps later, the UK suggested that perhaps a reference in the RevCon report could be acceptable if buried under a broader heading such as &continuing to monitor advances in science and technology,8 or a heading related to toxic chemicals and the General Purpose Criterion. UK Rep Clive Rowland noted that the UK is developing its thoughts along two separate tracks - its own national position on the issues, and how to handle discussions at the RevCon ) and would greatly appreciate early discussions on at least the RevCon aspect with the U.S.

¶49. (SBU) The German delegation raised the prospects for agreement on Russia's Facility Agreement and Verification

THE HAGUE 00001998 008 OF 009

Plan for its Maradykovsky facility. German rep Peter Beerwerth underscored Berlin's continued concern at current and future approaches to two-stage destruction processes, by noting that at Pochep, German experts understand the reaction mass will be composed of approximately 90 percent precursors.

Amb. Parker also raised the possibility of future accession to the CWC by other states possessing chemical weapons, and the fact that assurances of complete destruction could be even more important in such cases. As in Berlin, there seemed to be general resignation to the fact that the next opportunity to apply political pressure would be Russia's 45 percent deadline in December 2009, and no clear way ahead was outlined for upcoming sessions of the EC.

¶50. (SBU) Discussion then turned to the future of the OPCW, and the need for it to adapt not only to a changing scientific and technological environment, but also to a mission that will shift in the coming years from verification of chemical weapons destruction to verification of industry and a greater focus on the non-proliferation aspects of the



CWC. France raised the importance of the counter-terrorism role of the OPCW, and noted that France will be hosting a seminar on the future of the OPCW early next year. Delegations agreed to further discussions on this topic, and to keep the group informed of developing positions on possible issues facing the RevCon.

-----  
BILATERAL MEETING WITH THE LIBYAN DELEGATION  
-----

¶51. (SBU) U.S. reps Robinson, Parker and Lewis met with Mohadeb Gheton and Dr. Hesnawy of Libya on the margins of the CSP-12 to discuss the status of Libya,s remaining Trilateral Steering Coordinating Committee (TSCC) Chemical Subcommittee issues regarding proliferation sensitive equipment, current status of the CW destruction contract, and Libya,s request to amend its approved Rabta Chemical Weapons Production Facility (CWPF) conversion request. Under the auspices of the TSCC Chemical Subcommittee, procedures were put into place to monitor Libya,s progress of dismantling its CW efforts. During the US-UK team July 2005 visit, Libyan officials had promised to provide the TSCC Chemical Subcommittee team an inventory of the dual-use chemical process equipment that did not meet CWC declaration requirements. According to Dr. Hesnawy, an inventory list had already been provided to US officials during the October-December 2003 timeframe and since the July 2005 team visit to the former US CW-subcommittee co-chairman. However, Hesnawy promised to provide the US another copy of the inventory list through the US delegation in The Hague. Hesnawy also stated that the dual-use equipment is slated for production of medicines by the National Pharmaceutical Company. (NOTE: The March 12, 2005 Agreement Protocols for CW specifies that any of this &equipment not currently in use will either be placed into use within three years for peaceful purposes inside Libya or sold to a final user mutually agreed by the three parties8 (US/UK/Libya). Libya still needs to establish a system to account for and track the disposition of proliferation sensitive CW production equipment.)

¶52. (U) U.S. reps asked whether Hesnawy was still in agreement that the US-UK could revisit the converted CWPFs at Rabta and the CW defensive laboratory that Col. Othman, the Head of the Libyan Nuclear and Chemical Defense School is building; he responded positively. No timeframe for the visit was discussed.

¶53. (U) U.S. reps also asked Libyan officials about Libya,s reasons for withdrawing from the US )Libya contract, the status of its contract with the new Italian firm S.I.P.S.A., and the progress made to date in signing a contract. Libya explained that there were no issues with the US-Libya Government-to-Government contract. However, issues became apparent with the requirements of U.S. laws and responsibilities imposed by the US Contractor on Libya

THE HAGUE 00001998 009 OF 009

Government regarding indemnification. Dr. Hesnawy stated that these included Libya,s responsibilities for any accidents and environmental damages resulting from an accident occurring from the facility operation. Dr. Hesnawy stated that he does not expect any technical problems with the chosen technology. Libya,s Ministry of the Environment endorses the plant, although a formal signature of approval has not yet been received. The National Authority has already &taken ownership8 of the destruction plant site.

¶54. (U) Although there has not been a contract signing, letters of intent have been exchanged with the Italian company, which has already completed plant design, and the basic engineering design is under review. Libya has been discussing the draft Facility Agreement and Verification Plan for the facility since EC-50, and Dr. Hesnawy indicated initial discussions on the documents may be concluded before

EC-52. Hesnawy also continues to be optimistic in his projections for the destruction timeline; he estimates that Mustard will be completed by 2009 and precursors by 2010, a year ahead of the respective approved extended deadlines. He also believes preparatory site work could begin as early as December 2007. When asked for clarification on an earlier statement that Libya would work with the Swiss branch of the engineering firm, as opposed to the Italian branch, Hesnawy stated he did not say that he was working with the Swiss. Hesnawy clarified his earlier statements by explaining that Libya will be working through Switzerland due to the possibility of frequent labor strikes in Italy and to have access to a more efficient banking system. U.S. reps asked if Libya will be seeking additional US assistance; Dr. Hesnawy noted this would only be necessary if there was a problem in obtaining monitoring equipment from other European suppliers. (NOTE: In a separate conversation, Dr. Hesnawy also stated that the Government of Libya is financing the entire destruction project at a total cost less than the proposed US-Libya contract approach. The lower cost is based on Hesnawy's opinion that S.I.P.S.A. can do the project based on his design for the destruction facility. He also clarified that both incineration and neutralization phases will be operated simultaneously.)

155. (U) Libyan officials plan to submit a note to the Technical Secretariat requesting a change to the approved General and Detail Conversion Plans for Rabta Pharmaceutical Factory 1 and 2 regarding the retention of a &civilized8 sandbag wall. The wall was declared as a special feature of the former CWPf and requires destruction. Libya is now seeking US and UK support to retain this feature. Libya stated that the UK had no initial objections to this proposed amendment and was seeking similar support from the U.S. The Libyan delegation provided the U.S. with an initial draft of the note by the Technical Secretariat entitled &Correction (sic) to the General and Detailed Plans for Conversion for the Chemical Weapons Production Facilities Rabta Pharmaceutical Factory 1 and Rabta Pharmaceutical Factory 2 (dated 2 October 2007), a copy of which is being forwarded to Washington for review. Hesnawy stated that he was seeking the views of the U.S. and UK and other States Parties that may have concerns about the wall. U.S. reps noted that the issue of the wall will require careful study in Washington, and is unlikely to receive approval in time for the 51st session of the Executive Council (27-30 November 2007). Given the fact that the Secretariat apparently intends to wait for a guarantee of U.S. and UK support before moving forward, Del understands that this issue will not be included in the EC-51 agenda. As in previous discussions, Dr. Hesnawy also referred to the recent TS request to itemize all equipment in commercial buildings 3 and 4 at Rabta.

156. (U) JAVITS SENDS.  
Gallagher